

821127



04037669

FORM 11-K

ANNUAL REPORT
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934



For the fiscal year ended December 31, 2003.

Boston Private Financial Holdings, Inc. 401(k) Profit Sharing Plan

Boston Private Financial Holdings, Inc.
Ten Post Office Square
Boston, Massachusetts 02109

PROCESSED

JUL 15 2004

THOMSON
FINANCIAL

[Handwritten signature]

REQUIRED INFORMATION ATTACHED

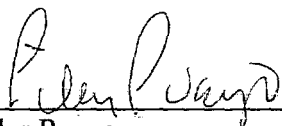
1. Audited statements of financial condition in accordance with the financial reporting requirements of ERISA.
2. Audited statements of income and changes in plan equity in accordance with the financial reporting requirements of ERISA.
3. Written consent of the accountant.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

BOSTON PRIVATE FINANCIAL HOLDINGS, INC. 401(k) PROFIT SHARING PLAN

By: BOSTON PRIVATE FINANCIAL HOLDINGS, INC. 401(k) PLAN COMMITTEE, as
Plan Administrator

By: 

Name: Pilar Pueyo

Title: Senior Vice President – Human Resources
Boston Private Bank & Trust Company

Date: July 8, 2004



BOSTON PRIVATE FINANCIAL HOLDINGS, INC.
401(k) PROFIT SHARING PLAN
(formerly, Boston Private Bank & Trust Company 401(k) Plan)

Financial Statements and Supplemental Schedule

December 31, 2003 and 2002

(With Report of Independent Registered Public Accounting Firm Thereon)

BOSTON PRIVATE FINANCIAL HOLDINGS, INC.
401(k) PROFIT SHARING PLAN
(formerly, Boston Private Bank & Trust Company 401(k) Plan)

Table of Contents

| | Page |
|--|-------------|
| Report of Independent Registered Public Accounting Firm | 1 |
| Statements of Net Assets Available for Benefits as of December 31, 2003 and 2002 | 2 |
| Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2003 | 3 |
| Notes to Financial Statements | 4 - 11 |
| Supplemental Schedule | |
| Schedule H, Line 4i – Schedule of Assets (Held at End of Year) | 12 |

All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") have been omitted because there is no information to report.



KPMG LLP
99 High Street
Boston, MA 02110-2371

Telephone 617 988 1000
Fax 617 988 0800
Internet www.us.kpmg.com

Report of Independent Registered Public Accounting Firm

The Plan Administrator
Boston Private Financial Holdings, Inc. 401(k) Profit Sharing Plan:

We have audited the accompanying statements of net assets available for benefits of Boston Private Financial Holdings, Inc. 401(k) Profit Sharing Plan (formerly, Boston Private Bank & Trust Company 401(k) Plan) (the "Plan") as of December 31, 2003 and 2002, and the related statement of changes in net assets available for benefits for the year ended December 31, 2003. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Boston Private Financial Holdings, Inc. 401(k) Plan as of December 31, 2003 and 2002, and the changes in its net assets available for benefits for the year ended December 31, 2003 in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year), as of December 31, 2003 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but includes supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. This supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

Boston, Massachusetts
July 8, 2004

BOSTON PRIVATE FINANCIAL HOLDINGS, INC.
401(k) PROFIT SHARING PLAN
(formerly, Boston Private Bank & Trust Company 401(k) Plan)

Statements of Net Assets Available for Benefits

December 31, 2003 and 2002

| | <u>2003</u> | <u>2002</u> |
|--|----------------------|----------------------|
| Assets: | | |
| Cash and cash equivalents (note 3) | \$ 294,061 | \$ 226,109 |
| Investments, at fair value (note 4): | | |
| Common stock - Boston Private Financial Holdings, Inc. | 1,738,005 | 1,515,675 |
| Self-directed brokerage assets | 4,548,357 | 3,224,420 |
| Diversified investment funds | 16,888,714 | 10,400,391 |
| Participant loans | 225,766 | 108,562 |
| Total investments | <u>23,400,842</u> | <u>15,249,048</u> |
| Receivables: | | |
| Employer contributions | 57,982 | 101,751 |
| Employee contributions | 7,747 | 28,501 |
| Rollover | 51,192 | — |
| Other receivables | 552 | 5,390 |
| Total receivables | <u>117,473</u> | <u>135,642</u> |
| Total assets | <u>23,812,376</u> | <u>15,610,799</u> |
| Liabilities | <u>—</u> | <u>—</u> |
| Total liabilities | <u>—</u> | <u>—</u> |
| Net assets available for benefits | <u>\$ 23,812,376</u> | <u>\$ 15,610,799</u> |

See accompanying notes to financial statements.

BOSTON PRIVATE FINANCIAL HOLDINGS, INC.
401(k) PROFIT SHARING PLAN
(formerly, Boston Private Bank & Trust Company 401(k) Plan)

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2003

Additions:

Additions to net assets attributed to:

Investment income:

| | |
|--|------------------|
| Dividends and interest income | \$ 91,400 |
| Net appreciation of investments (note 4) | <u>4,473,534</u> |
| Total investment income | <u>4,564,934</u> |

Contributions:

| | |
|-------------|----------------|
| Participant | 2,554,288 |
| Employer | 1,044,312 |
| Rollover | <u>501,005</u> |

| | |
|---------------------|------------------|
| Total contributions | <u>4,099,605</u> |
|---------------------|------------------|

| | |
|-----------------|------------------|
| Total additions | <u>8,664,539</u> |
|-----------------|------------------|

Deductions:

Deductions from net assets attributed to:

| | |
|-------------------------------|---------------|
| Benefits paid to participants | 417,100 |
| Expenses | <u>45,862</u> |

| | |
|------------------|----------------|
| Total deductions | <u>462,962</u> |
|------------------|----------------|

| | |
|----------------------------|-----------|
| Net increase in net assets | 8,201,577 |
|----------------------------|-----------|

Net assets available for benefits:

| | |
|-------------------|-----------------------------|
| Beginning of year | <u>15,610,799</u> |
| End of year | <u><u>\$ 23,812,376</u></u> |

See accompanying notes to financial statements.

BOSTON PRIVATE FINANCIAL HOLDINGS, INC.
401(K) PROFIT SHARING PLAN
(formerly, Boston Private Bank & Trust Company 401(k) Plan)

Notes to Financial Statements

December 31, 2003 and 2002

(1) Plan Description

The following description of Boston Private Financial Holdings, Inc. 401(k) Profit Sharing Plan (the "Plan"), formerly, Boston Private Bank & Trust Company 401(k) Plan, provides general information only. Participants should refer to the plan document for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution plan with a salary reduction arrangement under Section 401(k) of the Internal Revenue Code of 1986, as amended ("IRC"), sponsored by Boston Private Financial Holdings, Inc. (the "Company"). This Plan is a continuation of Boston Private Bank & Trust Company 401(k) Plan (the "BPB&TC Plan"). As of July 1, 2002, the assets of the Westfield Profit Sharing Plan (the "Westfield Plan"), the RINET Company, Inc. Salary Reduction Contribution Plan (the "RINET Plan"), the Sand Hill Advisors, Inc. Profit Sharing 401(k) Plan (the "Sand Hill Plan"), the E.R. Taylor Investments, Inc. 401(k) Profit Sharing Plan (the "BP Value Plan"), and the Borel Bank Salary Deferral 401(k) Plan (the "Borel Plan" and, together with the foregoing, the "Prior Plans") were merged into the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. Total assets transferred into the Plan on July 1, 2002 were \$8,009,448.

Employees who have attained the age of 21 and completed one hour of service are eligible to participate in the plan on the first day of the calendar quarter following their date of hire. Prior to January 1, 2003, for purposes of employer matching and discretionary nonelective contributions, employees are eligible to participate after they have attained the age of 21 and completed one year of service. To complete one year of eligibility service, the employee must be credited with at least 1,000 hours of service during any 12-month period beginning on their date of hire and any anniversary thereof. The one year of service and 1,000 hour requirement for eligibility to receive employer matching contributions was eliminated on May 15, 2003, effective retroactively to January 1, 2003. However, if an employee was eligible to participate in a Prior Plan on June 30, 2002, he or she automatically became a member under the Plan on July 1, 2002.

(b) Contributions

In 2003 and 2002, participants could have contributed up to 25% of their eligible pretax compensation to the Plan but could not exceed the annual dollar limit allowed by the IRC (\$12,000 in 2003 and \$11,000 in 2002). For tax years beginning after December 31, 2001, participants who will be at least fifty years old by the end of the tax year may make additional contributions called "catch-up contributions." The maximum amount of the annual catch-up contribution depends on the type of plan involved as well as the tax year for which the contribution is being made. In 2003, participants may have elected to contribute up to \$2,000 of their compensation as a catch-up contribution.

Boston Private Bank & Trust Company, Westfield Capital Management, RINET Company, Inc., Sand Hill Advisors, Inc., Boston Private Value Investors, and Borel Private Bank & Trust Company (the "Participating Employers"), at their discretion, may make a matching contribution equal to a set percentage. The percentage of the matching contribution is determined by the Participating

BOSTON PRIVATE FINANCIAL HOLDINGS, INC.
401(K) PROFIT SHARING PLAN
(formerly, Boston Private Bank & Trust Company 401(k) Plan)

Notes to Financial Statements

December 31, 2003 and 2002

Employer's Board of Directors each year and only the participant's contribution, up to a maximum of 6% of the participant's annual compensation, will be eligible for a matching contribution. Each Participating Employer, in addition to Participating Employer matching contributions, may elect to make a discretionary contribution. The amount of such contribution, if any, will be determined and voted on by the Board of Directors of each Participating Employer. In addition, Participating Employers may elect to make a discretionary contribution in the form of shares of common stock of the plan sponsor. If such stock contribution is made by any Participating Employer in any plan year, it will be allocated on a per capita basis.

Participants may contribute to a separate rollover account certain amounts which have been distributed from another qualified retirement plan or an individual retirement account. Participants are fully vested at all times for any amounts credited to the rollover account.

(c) Vesting

Participants are immediately vested in their contributions and company stock plus earnings thereon. Participants become 100% vested and eligible to receive benefits in the employer matching contribution at the earlier of completion of three years of service or attainment of normal retirement age. For employer discretionary contributions, participants become 100% vested at completion of five years of service or attainment of normal retirement age, whichever comes first. In the event employment is terminated due to retirement, death or disability, the participant becomes 100% vested.

If employment is terminated prior to normal retirement age for reasons other than death or disability, the participant becomes vested in accordance with the following schedules:

Participating Employer Matching Contributions

| <u>Years of service</u> | <u>Vesting percentage</u> |
|-------------------------|-------------------------------|
| Less than two years | 0% |
| 2 years | 50% |
| 3 years | 100% |

BOSTON PRIVATE FINANCIAL HOLDINGS, INC.
401(K) PROFIT SHARING PLAN
(formerly, Boston Private Bank & Trust Company 401(k) Plan)

Notes to Financial Statements

December 31, 2003 and 2002

Participating Employer Discretionary Contributions

| <u>Years of service</u> | <u>Vesting percentage</u> |
|-------------------------|-------------------------------|
| Less than one year | 0% |
| 1 year | 20% |
| 2 years | 40% |
| 3 years | 60% |
| 4 years | 80% |
| 5 years | 100% |

(d) *Payment of Benefits*

If the amount of the benefit exceeds \$5,000, then the participant may elect to receive the benefit under one or any combination of the following methods:

- (a) Lump sum in cash (or in shares of Boston Private Financial Holdings, Inc. common stock to the extent vested accounts are invested in the BPFH stock fund);
- (b) Cash payments in quarterly installments over a period of five, ten or fifteen years;
- (c) Maintain vested account balances in the Plan and delay distribution until a participant's 65th birthday or death, whichever is earlier;
- (d) Transfer vested account balances to the trustee of another qualified retirement plan or the trustee or custodian of a participant's individual retirement account; or
- (e) Purchase a non transferable annuity contract from a life insurance company, providing monthly payments over a specified period of time not to exceed the participant's life expectancy or the joint expectancy of the participant and the participant's designated beneficiary;

If the amount of the benefit does not exceed \$5,000, the participant is required to receive a lump-sum distribution.

(e) *Participant Accounts*

Each participant's account is credited with the participant's contribution and the employer's contribution. Upon withdrawal from the Plan, participants are entitled to the amount they have contributed, their company stock account, the amount of their employer matching contributions and employer discretionary contributions in which they are vested, and any earnings credited to their account.

(f) *Participant Loans*

The Plan provides for participant loans with plan administrator approval. The maximum aggregate loan amount that may be outstanding at one time is 50% of a participant's total vested account

BOSTON PRIVATE FINANCIAL HOLDINGS, INC.
401(K) PROFIT SHARING PLAN
(formerly, Boston Private Bank & Trust Company 401(k) Plan)

Notes to Financial Statements

December 31, 2003 and 2002

balance, not to exceed \$50,000. The \$50,000 maximum will be reduced by the participant's highest outstanding loan balance in the previous 12 months, even if amounts have been repaid. A participant may not have more than two loans outstanding at any one time: one general purpose loan and the second loan to be used in conjunction with the participant's primary residence. However, effective May 15, 2003, this has been amended allowing a participant to have two general purpose loans and, thus, eliminating the requirement that the second loan be used for primary residence purposes only. The minimum loan amount allowed under the Plan is \$1,000. Until otherwise determined by the trustee, the interest rate on all loans given shall be the prime rate plus 2%.

All loans are required to be repaid within five years of the date of the loan unless the purpose of the loan is to acquire a principal residence. Defaults on loans are treated as a distribution of the participant's account balance.

(g) *Participant Investment Options*

Participants may elect to suspend contributions at any time. Although they can only change their future contributions during open enrollment, which is the first day of any quarter, participants may reallocate their prior and future contributions on a daily basis. Plan participants may direct their investments into shares in the following diversified investment funds, in addition to the self directed brokerage account ("SDBA"):

- a) Mass Mutual Government Money Market Fund
- b) Mass Mutual Core Bond Fund
- c) Oppenheimer Quest Balanced Fund
- d) Mass Mutual Fundamental Value Fund
- e) Mass Mutual Indexed Equity Fund
- f) Oppenheimer Capital Appreciation Fund
- g) Mass Mutual Focused Value Fund
- h) Mass Mutual Blue Chip Growth Fund
- i) DLB Small Co. Opportunities Fund
- j) Mass Mutual Mid Cap Growth II Fund
- k) Mass Mutual Small Co. Growth Fund
- l) Mass Mutual Overseas Fund
- m) Oppenheimer Global Fund
- n) Conservative Journey Fund
- o) Moderate Journey Fund
- p) Aggressive Journey Fund

BOSTON PRIVATE FINANCIAL HOLDINGS, INC.
401(K) PROFIT SHARING PLAN
(formerly, Boston Private Bank & Trust Company 401(k) Plan)

Notes to Financial Statements

December 31, 2003 and 2002

- q) Mass Mutual Short-Duration Bond Fund
- r) Mass Mutual OTC 100 Fund
- s) Boston Private Financial Holdings, Inc. Common Stock (BPFH Stock Fund)

(h) Forfeitures

As of December 31, 2003 and 2002, forfeited nonvested accounts totaled \$114,815 and \$31,069, respectively. These amounts will be used to reduce future employer contributions. During 2003, employer contributions were reduced by \$9,231 from forfeited nonvested accounts.

(i) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to suspend or discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Plan terminates, participants will become fully vested in their employer contributions.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements have been presented on the accrual basis of accounting.

(b) Investment Valuation and Income Recognition

Investments are stated at fair value as determined by quoted market prices. Participant loans are valued at cost, which approximates fair value.

Purchases and sales of securities are reflected on the trade-date basis. Interest income is recognized on the accrual basis. Dividends are recorded on the ex-dividend date.

(c) Administrative Expenses

Certain administrative expenses, such as auditing and legal fees, are paid directly by the Company and, accordingly, are not reflected in the accompanying financial statements. However, other administrative costs, such as check charges for participant distributions and the annual fee for self-directed brokerage accounts, are paid for by the participants and, therefore, will be reflected in the accompanying financial statements.

(d) Payment of Benefits

Benefits are recorded when paid.

(e) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions

BOSTON PRIVATE FINANCIAL HOLDINGS, INC.
401(K) PROFIT SHARING PLAN
(formerly, Boston Private Bank & Trust Company 401(k) Plan)

Notes to Financial Statements

December 31, 2003 and 2002

that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(3) Cash and Cash Equivalents

The Plan considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, excluding those money market funds which are investment options for participants.

(4) Investments

The following table presents investments that represent 5% or more of the Plan's net assets at the end of year as follows:

| | <u>Number of shares/units</u> | <u>Fair value</u> |
|---|-----------------------------------|-------------------|
| December 31, 2003: | | |
| Self-Directed Brokerage Assets* | — | \$ 4,548,357 |
| Oppenheimer Capital Appreciation Fund | 16,389 | 2,244,005 |
| Mass Mutual Core Bond Fund* | 15,270 | 2,045,496 |
| Boston Private Financial Holdings, Inc. Common Stock* | 69,968 | 1,738,005 |
| Mass Mutual Government Money Market Fund* | 9,389 | 1,489,102 |
| Mass Mutual Focused Value Fund | 7,873 | 1,429,915 |
| Mass Mutual Small Co. Growth Fund | 12,021 | 1,352,849 |
| Mass Mutual Indexed Equity Fund* | 15,914 | 1,339,457 |
| Mass Mutual Fundamental Value Fund* | 12,224 | 1,244,930 |
| Mass Mutual Mid Cap Growth II Fund | 7,821 | 1,238,807 |
| December 31, 2002: | | |
| Self-Directed Brokerage Assets* | — | \$ 3,224,420 |
| Oppenheimer Capital Appreciation Fund | 15,748 | 1,659,233 |
| Mass Mutual Core Bond Fund* | 12,644 | 1,611,608 |
| Boston Private Financial Holdings, Inc. Common Stock* | 76,318 | 1,515,675 |
| Mass Mutual Government Money Market Fund* | 7,430 | 1,202,159 |
| Mass Mutual Indexed Equity Fund* | 14,708 | 968,052 |

* Represents a party-in-interest to the Plan.

During 2003, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$4,473,534 as follows:

| | |
|--|---------------------|
| Common stock - Boston Private Financial Holdings, Inc. | \$ 365,944 |
| Self-directed brokerage assets | 854,798 |
| Diversified investment funds | <u>3,252,792</u> |
| | <u>\$ 4,473,534</u> |

BOSTON PRIVATE FINANCIAL HOLDINGS, INC.
401(K) PROFIT SHARING PLAN
(formerly, Boston Private Bank & Trust Company 401(k) Plan)

Notes to Financial Statements

December 31, 2003 and 2002

(5) Tax Status

The Plan received a favorable determination, dated March 23, 2004, from the Internal Revenue Service indicating that the Plan is qualified under IRC Section 401(a) and is exempt from federal income taxes under IRC Section 501(a). The plan administrator believes that the Plan is currently designed and has operated in accordance with its terms and in conformity with the applicable requirements of the IRC.

(6) Related-Party Transactions

Plan investments include shares of diversified investment funds managed by Sand Hill Advisors, which had a market value of \$656,032 at December 31, 2003. Sand Hill Advisors is an affiliate of Boston Private Financial Holdings, Inc. and member of the Plan; therefore, these transactions qualify as party-in-interest transactions. Some plan investments are also shares of diversified investment funds managed by Mass Mutual Financial Group. Mass Mutual Financial Group is the record keeper of the Plan, which qualifies these transactions as party-in-interest transactions. In addition, certain plan investments are shares of Boston Private Financial Holdings, Inc. common stock. Boston Private Financial Holdings, Inc. is the plan sponsor and, as such, these transactions qualify as party-in-interest transactions.

(7) Risk and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

(8) Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2003 to Form 5500:

| | |
|---|----------------------|
| Net assets available for benefits per the financial statements | \$ 23,812,376 |
| Plan receivables at December 31, 2003 (accrual accounting) not recorded on Form 5500: | |
| Employer contributions | (57,982) |
| Employee contributions | (7,747) |
| Employee rollovers | (51,192) |
| Net assets available for benefits per the Form 5500 | \$ <u>23,695,455</u> |

BOSTON PRIVATE FINANCIAL HOLDINGS, INC.
401(K) PROFIT SHARING PLAN
(formerly, Boston Private Bank & Trust Company 401(k) Plan)

Notes to Financial Statements

December 31, 2003 and 2002

The following is a reconciliation of net increase in plan assets per the financial statements for the year ended December 31, 2003 to Form 5500:

| | |
|---|----------------------------|
| Net increase in Plan assets per the financial statements | \$ <u>8,201,577</u> |
| Plan receivables at December 31, 2003 (accrual accounting) not recorded on Form 5500: | |
| Reverse prior year accrual - employer contributions | 101,751 |
| Reverse prior year accrual - employee contributions | <u>28,501</u> |
| Total prior year receivables | <u>130,252</u> |
| Employer contributions | (57,982) |
| Employee contributions | (7,747) |
| Employee rollovers | <u>(51,192)</u> |
| Total current year receivables not recorded | <u>(116,921)</u> |
| Net receivables not recorded | <u>13,331</u> |
| Net increase in plan assets per the Form 5500 | \$ <u><u>8,214,908</u></u> |

The reconciling items occur because the Form 5500 is maintained on a cash basis where as the financial statements are maintained on an accrual basis.

BOSTON PRIVATE FINANCIAL HOLDINGS, INC.

401(k) PROFIT SHARING PLAN

(formerly, Boston Private Bank & Trust Company 401(k) Plan)

Schedule H, Line 4j - Schedule of Assets (Held at End of Year)

December 31, 2003

| (a) | (b) Identity of issuer, borrower, lessor, or similar party | (c) Description of investments | (d) Cost ** | (e) Current value |
|-----|---|---|-------------|----------------------|
| * | Self-Directed Brokerage Assets | — | — | \$ 4,548,357 |
| * | Oppenheimer Capital Appreciation Fund | 16,389 units of participation | — | 2,244,005 |
| * | Mass Mutual Core Bond Fund | 15,270 units of participation | — | 2,045,496 |
| * | Boston Private Financial Holdings, Inc. Common Stock | 69,968 shares | — | 1,738,005 |
| * | Mass Mutual Government Money Market Fund | 9,389 units of participation | — | 1,489,102 |
| * | Mass Mutual Focused Value Fund | 7,873 units of participation | — | 1,429,915 |
| * | Mass Mutual Small Co. Growth Fund | 12,021 units of participation | — | 1,352,849 |
| * | Mass Mutual Indexed Equity Fund | 15,914 units of participation | — | 1,339,457 |
| * | Mass Mutual Fundamental Value Fund | 12,224 units of participation | — | 1,244,930 |
| * | Mass Mutual Mid Cap Growth II Fund | 7,821 units of participation | — | 1,238,807 |
| * | DLB Small Co. Opportunities Fund | 4,586 units of participation | — | 1,099,802 |
| * | Mass Mutual Overseas Fund | 9,001 units of participation | — | 867,112 |
| * | Oppenheimer Quest Balanced Fund | 4,645 units of participation | — | 553,311 |
| * | Mass Mutual Blue Chip Growth Fund | 2,499 units of participation | — | 491,278 |
| | Aggressive Journey Fund | 4,340 units of participation | — | 453,539 |
| | Conservative Journey Fund | 3,306 units of participation | — | 403,068 |
| | Oppenheimer Global Fund | 1,759 units of participation | — | 306,019 |
| | Moderate Journey Fund | 2,566 units of participation | — | 287,558 |
| * | Mass Mutual OTC 100 Fund | 732 units of participation | — | 27,593 |
| * | Mass Mutual Short-Duration Bond Fund | 117 units of participation | — | 14,873 |
| | | | | <u>23,175,076</u> |
| * | Participant loans | Interest rates ranging from 5.75% to 9% | | <u>225,766</u> |
| | | | | <u>\$ 23,400,842</u> |

* Represents a party-in-interest to the Plan.

** Per ERISA guidelines, the cost of investments is not required to be included on this schedule.

See accompanying report of independent registered public accounting firm.



KPMG LLP
99 High Street
Boston, MA 02110-2371

Telephone 617 988 1000
Fax 617 988 0800

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Boston Private Financial Holdings, Inc.:

We consent to the incorporation by reference in the registration statement (No. 333-116511) on Form S-8 of Boston Private Financial Holdings, Inc. of our report dated July 8, 2004, with respect to the statements of net assets available for benefits of Boston Private Financial Holdings, Inc. 401(k) Profit Sharing Plan as of December 31, 2003 and 2002, the related statement of changes in net assets available for benefits for the year ended December 31, 2003, and the supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2003, which report appears in the December 31, 2003 Form 11-K of Boston Private Financial Holdings, Inc. 401(k) Profit Sharing Plan.

KPMG LLP

Boston, Massachusetts
July 8, 2004



KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.